

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 552
92ND GENERAL ASSEMBLY

Reported from the Committee on Retirement April 15, 2003, with recommendation that the House Committee Substitute for Senate Bill No. 552 Do Pass by Consent.

STEPHEN S. DAVIS, Chief Clerk

1830L.04C

AN ACT

To repeal section 513.430, RSMo, and to enact in lieu thereof one new section relating to property exempt from attachment.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 513.430, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 513.430, to read as follows:

513.430. 1. The following property shall be exempt from attachment and execution to the extent of any person's interest therein:

(1) Household furnishings, household goods, wearing apparel, appliances, books, animals, crops or musical instruments that are held primarily for personal, family or household use of such person or a dependent of such person, not to exceed one thousand dollars in value in the aggregate;

(2) Jewelry held primarily for the personal, family or household use of such person or a dependent of such person, not to exceed five hundred dollars in value in the aggregate;

(3) Any other property of any kind, not to exceed in value four hundred dollars in the aggregate;

(4) Any implements, professional books or tools of the trade of such person or the trade of a dependent of such person not to exceed two thousand dollars in value in the aggregate;

(5) Any motor vehicle, not to exceed one thousand dollars in value;

(6) Any mobile home used as the principal residence, not to exceed one thousand dollars in value;

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law. Matter in boldface type in the above law is proposed language.

16 (7) Any one or more unmaturred life insurance contracts owned by such person, other
17 than a credit life insurance contract;

18 (8) The amount of any accrued dividend or interest under, or loan value of, any one or
19 more unmaturred life insurance contracts owned by such person under which the insured is such
20 person or an individual of whom such person is a dependent; provided, however, that if
21 proceedings under Title 11 of the United States Code are commenced by or against such person,
22 the amount exempt in such proceedings shall not exceed in value one hundred fifty thousand
23 dollars in the aggregate less any amount of property of such person transferred by the life
24 insurance company or fraternal benefit society to itself in good faith if such transfer is to pay a
25 premium or to carry out a nonforfeiture insurance option and is required to be so transferred
26 automatically under a life insurance contract with such company or society that was entered into
27 before commencement of such proceedings. No amount of any accrued dividend or interest
28 under, or loan value of, any such life insurance contracts shall be exempt from any claim for
29 child support. Notwithstanding anything to the contrary, no such amount shall be exempt in such
30 proceedings under any such insurance contract which was purchased by such person within one
31 year prior to the commencement of such proceedings;

32 (9) Professionally prescribed health aids for such person or a dependent of such person;

33 (10) Such person's right to receive:

34 (a) A Social Security benefit, unemployment compensation or a local public assistance
35 benefit;

36 (b) A veteran's benefit;

37 (c) A disability, illness or unemployment benefit;

38 (d) Alimony, support or separate maintenance, not to exceed five hundred dollars a
39 month;

40 (e) Any payment under a stock bonus plan, pension plan, disability or death benefit plan,
41 profit-sharing plan, nonpublic retirement plan or any [similar] plan described, defined, or
42 established pursuant to section 456.072, RSMo, the person's right to a participant account in any
43 deferred compensation program offered by the state of Missouri or any of its political
44 subdivisions, or annuity or similar plan or contract on account of illness, disability, death, age
45 or length of service, to the extent reasonably necessary for the support of such person and any
46 dependent of such person unless:

47 a. Such plan or contract was established by or under the auspices of an insider that
48 employed such person at the time such person's rights under such plan or contract arose;

49 b. Such payment is on account of age or length of service; and

50 c. Such plan or contract does not qualify under Section 401(a), 403(a), 403(b), 408, 408A
51 or 409 of the Internal Revenue Code of 1986, as amended, (26 U.S.C. 401(a), 403(a), 403(b),

52 408, 408A or 409);
53 except that any such payment to any person shall be subject to attachment or execution pursuant
54 to a qualified domestic relations order, as defined by Section 414(p) of the Internal Revenue
55 Code of 1986, as amended, issued by a court in any proceeding for dissolution of marriage or
56 legal separation or a proceeding for disposition of property following dissolution of marriage by
57 a court which lacked personal jurisdiction over the absent spouse or lacked jurisdiction to
58 dispose of marital property at the time of the original judgment of dissolution;

59 (f) Any money or assets, payable to a participant or beneficiary from, or any interest of
60 any participant or beneficiary in, a retirement plan [which] **or profit-sharing plan that** is
61 qualified under Section [401(k), 403(a)(3),] **401(a), 403(a),** 403(b), 408, 408A or 409 of the
62 Internal Revenue Code of 1986, as amended, except as provided in this paragraph. Any plan or
63 arrangement described in this paragraph **except for a government plan as defined in Section**
64 **414(d) of the Internal Revenue Code of 1986, as amended,** shall not be exempt from the claim
65 of an alternate payee under a qualified domestic relations order; however, the interest of any and
66 all alternate payees under a qualified domestic relations order shall be exempt from any and all
67 claims of any creditor, other than the state of Missouri through its division of family services.
68 As used in this paragraph, the terms "alternate payee" and "qualified domestic relations order"
69 have the meaning given to them in Section 414(p) of the Internal Revenue Code of 1986, as
70 amended.

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72 If proceedings under Title 11 of the United States Code are commenced by or against such
73 person, no amount of funds shall be exempt in such proceedings under any such plan, contract,
74 or trust which is fraudulent as defined in section 456.630, RSMo, and for the period such person
75 participated within three years prior to the commencement of such proceedings. For the purposes
76 of this section, when the fraudulently conveyed funds are recovered and after, such funds shall
77 be deducted and then treated as though the funds had never been contributed to the plan, contract,
78 or trust;

79 (11) The debtor's right to receive, or property that is traceable to, a payment on account
80 of the wrongful death of an individual of whom the debtor was a dependent, to the extent
81 reasonably necessary for the support of the debtor and any dependent of the debtor.

82 2. Nothing in this section shall be interpreted to exempt from attachment or execution
83 for a valid judicial or administrative order for the payment of child support or maintenance any
84 money or assets, payable to a participant or beneficiary from, or any interest of any participant
85 or beneficiary in, a retirement plan which is qualified pursuant to Section 408A of the Internal
86 Revenue Code of 1986, as amended.